



SAP Overview

8 June 2004

SAP At-a-Glance

- Worlds largest business application software vendor (ERP)
- The 3rd largest global software vendor.
- Market leader in enterprise software solutions.
- 32 years business experience.
- 23 comprehensive integrated industry solutions.
- 18,500+ customers in 120+ countries.
 - 65,000+ installations
 - 1,500 Partners
 - 12+ million users
- 28,000+ SAP global employees.
- Invest \$1B+ annually in R&D with 8000+ Developers
- Train in excess of 300,000 users annually

SAP at-a-glance in OSD



Defense Logistics Agency

- Business Systems Modernization (BSM)
- Replace Standard Automated Material Management System (SAMMS)
- Replace Defense Integrated Subsistence Management System (DISMS)
- Phased implementations over 4 years; First Go Live - Jul 2002
- Enterprise Portal
- Future Federal Supplier Relationship Management
 - Automated Delivery Orders
 - Automated Simplified Acquisition Procedures
 - Complex Contracting (SDP)

NIMA & ****

- Enterprise Logistics
- Map Production



SAP at-a-glance in the U.S. Army



Logistics modernization program (LMP)

- ◆ **Replace Command Commodity Standard System & Standard Depot System**
- ◆ **Phased implementations over 3 years; first Go Live --- May 2003**

Global Combat Support System - Army

- ◆ **Selected as the Software Vendor**
- ◆ **In Blueprint Phase**

US Army Medical Materiel Agency (USAMMA)

- ◆ **Supply Chain Management & Maintenance of medical materiel**

Armaments Research and Development Center (Picatinny Arsenal)

- ◆ **Direct purchasing**
- ◆ **Product Lifecycle Management**

SAP at-a-glance in the U.S. Navy



Navy wide ERP System

- Mission to stand up converged solution

Weapon systems program management

- Phased implementations for all USN / USMC aircraft programs

Aviation maintenance management and supply chain management

- All levels of maintenance and supply
- Phased implementations for all USN / USMC aircraft programs

Regional maintenance and workforce management processes

- Regional maintenance and workforce management at SIMA Norfolk
- RMC Phased implementations --- RMC SDGO and ships both coasts

Working capital financial management

- Asset Management, Procurement, HR and Financial Mgmt, Strategic Planning and Program Management
- Phased implementations

SAP Retail solution

- Financials and Human Resource Management live implementation

Defense Customers...just a few



SAP in NATO



Belgium
Canada
Czech Rep
Denmark
France
Germany
Greece
Hungary
Iceland
Italy
Luxembourg
Netherlands



Norway
Poland
Portugal
Spain
Turkey
United Kingdom
United States



22 NATO and Coalition Partners
use SAP for Defense



SAP at-a-glance in the Public Sector

- IRS
- USPS
- Customs
- NASA
- GSA
- DOI
- USGS
- DOE
- Defense Strategic Petroleum Reserve
- AMTRAK
- World Bank
- UNICEF
- World Food Program
- State and Local Governmental Agencies (PA)
- ...

What is an ERP?

An Enterprise Resource Planning (ERP) system integrates units and “all” functions across an organization into an IT architecture, configured to serve the unique knowledge requirements of units in the enterprise

Essential information anywhere, anytime

One version of the truth

mySAP Business Suite

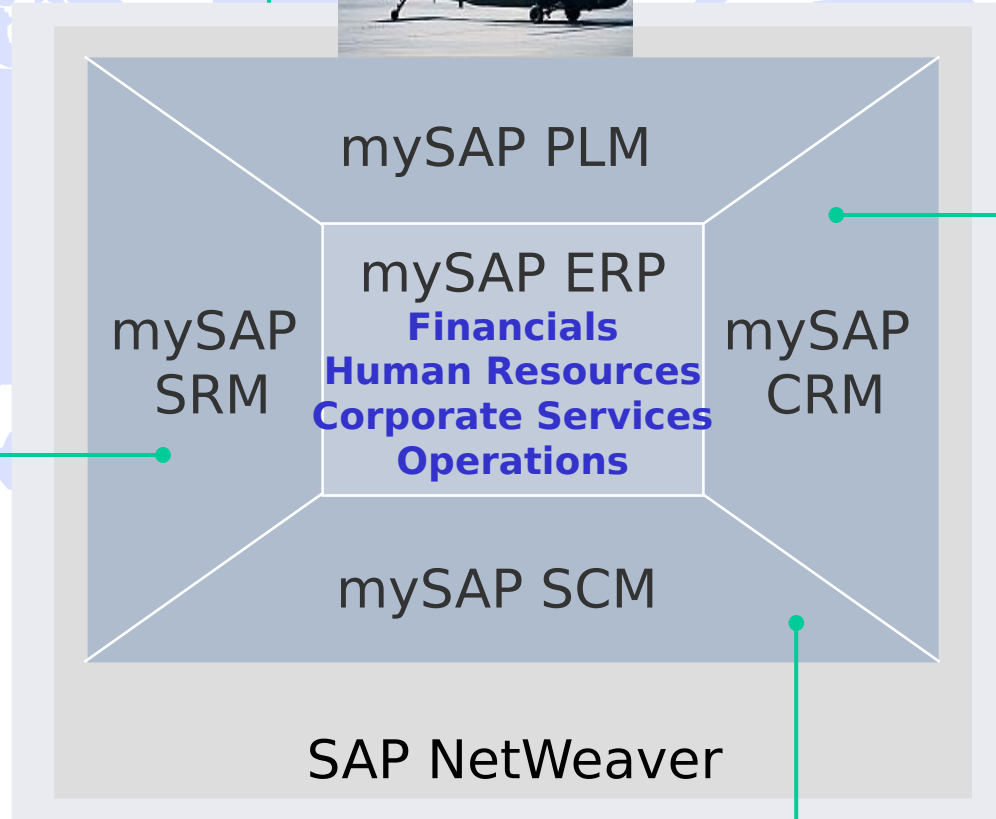


Weapon Systems

Asset Lifecycle Management



**Supplier
Supplier
Relationship
Management**



Soldier

*Customer
Relationship
Management*



**Supply Chain Partner
Supply Chain Collaboration
and Optimization**

THE BEST-RUN BUSINESSES RUN SAP



ERP Benefits to “War Fighter” and “Maintainer”

- “As-Is” Readiness not as “Last Reported”
 - Business Intelligence, Work Flow
 - By UIC, ERC, LIN, SN...
- Essential knowledge at point of decision, repair site
- Synchronize training and maintenance schedules, e.g. phase maintenance
- Controlled exchange (cannibalization) implications, e.g. diverted man-hours
- Logistical collaboration and planning within the “Command-Enterprise”
- Shorten scheduled maintenance down time
- Deployment planning, e.g. banked component TBO hours
- Accurate logistics planning data
 - MARC
 - OPTEMPO...
- Immediate SOF/SOU owning UIC notifications
- Identification of individual, crew, MOS training proficiencies. Assess POI shortfalls
- SOP Army wide, e.g. phase maintenance TM,TB,AR changes

■ HQDA G4 Business Drivers

- Improve Operational Readiness (Availability)
- Improve Maintainer Productivity (Multi-functional Maintainer)
- Enhance Maintenance and Material Management
 - > Reduce Total Ownership Costs
 - > Decrease Logistics O & S Costs
 - > Improve Maintenance Capability Utilization
 - > Facilitate Material Analysis of at All Levels
 - > Accurate Weapon System OPTEMPO/FHP Costing
 - > Maintain Efficient Base Operations (BASOPS)
 - > Increase Efficiency of Operations and Financial Business Processes
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Configurable, Flexible

Upgradeable

Breath of integrated functionality

Secure

">" ASA(FM&C) Guidance



THE BEST-RUN BUSINESSES RUN SAP

Tactical DILOMS ERP Implications

• Doctrine:

- Structure of logistics operations
- Policy Tactics, Techniques and Procedures
- Regulatory guidance and business rules
- Redefine missions, roles and responsibilities

• Training:

- STAMIS to enterprise vision
- Push, on demand, universal, customized, role based
- Reduce TTHS overall

• Leadership:

- Knowledge based management
- Cultural and change management
- Strong commitment

• Organization:

- MARC accuracy
- Redefine roles and responsibilities
- Position realignment and skills migration
- BOIP TOE documentation and staffing standards
- Organizational and force structure

• Materiel:

- Leverage prior hardware investments?

• Solider:

- Knowledge management
- Decision empowerment
- Multi-skilled "sustainment"

Implications developed
by team of MACOM
Subject Matter Experts,
to include CASCOM ISD
JAD (IAW AR 71-9)



ASA(FM&C) Tactical ERP Value

- Achieve SSF/CSCMA PBD 422 Objectives
- Credit Management
- Foreign Currency Fluctuations
- Collaborative Budget Built
- Single Financial and Logistics system removing Financial and Logistics Uncertainties
- Manage to Company Code.e.g. TRADOC Schools, TOE type unit
- Drastically reduce and resolve disbursement and de-obligation imbalances
 - Unliquidated
 - Negative Unliquidated
 - In transit
- Obligation Based Accounting System
- Synchronize Missions and Appropriations
- Inventory Valuation (Moving Average)
- Materiel condition based valuation
- Activity Based Costing
- Finite OPTEMPO Costing
- Measurable RTOC
- Performance Based Budgeting and Establishment of Unit Cost Goals
- Precise Surcharge Calculations (AMC and DLA)
- Validate Spares UFR (G4)
- Budget Adjustments “On the Fly”
- MACOM Demand Planning Strategy (OMA/AWCF)
- Reparable Unit Price Fluctuations
- Soldier Focused Financials

ASA(AL&I) Tactical ERP Value

- Achieve RTOC Objectives
 - Manage Material Change Modernization-Modification Programs
 - Credit Management
 - Reparable Unit Price Fluctuations
 - Foreign Currency Fluctuations
 - Collaborative Budget Built
 - Single Financial and Logistics system of record
 - Obligation Based Accounting System
 - End to End Financial Information
 - Synchronize Missions and Appropriations
 - Establishing Unit Cost Goals
 - Precise Surcharge Calculations
 - Warranty
- Strategic enterprise Management (SEM)
 - Business Warehouse-Business Intelligence (BI/BW)
 - Balanced Scorecard
 - Performance Based Budgeting
 - Improve Weapon System Reliability
 - Remove Financial and Logistics Uncertainty
 - Activity Based Costing
 - OPTEMPO Cost Fluctuations
 - Validate Spares Requirements and UFR
 - Budget Adjustments “On the Fly”
 - MACOM Demand Planning Strategy (OMA/AWCF)
 - Direct relationship between “customer” and OEM



■ HQDA G1 Business Drivers

- Improve HR Readiness
- Enhanced Logistician Productivity (Multi-functional Maintainer)
- Link training and performance
 - TRADOC
 - Unit
 - Individually targeted training
- Establishment direct relationship between training and logistics
- Leverage GCSS-A SALE architecture investment
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Single Army Logistics Enterprise (SALE)



Single Army Logistics Enterprise (SALE)*

"Factory"

- End to End Business View -



LMP

Master Data Management

PLM+

Information Exchange

Close coordination between AMC and PEO EIS and PMs

GCSS Army

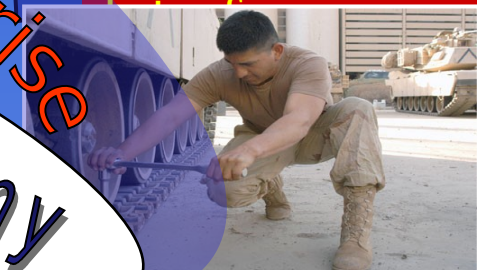
Original Equipment Manufacturer (OEM)

Defense Logistics Agency (DLA)

TRANSCOM

Defense Finance & Accounting Service (DFAS)
Defense Automatic Addressing System Center (DAASC)

Personnel Systems
External Interfaces



External Interfaces

"Foxhole"

- **LMP**: Logistics Modernization Pilot
- **GCSS Army**: Global Combat Support System Army
- **PLM+**: Product Life-cycle Management Plus

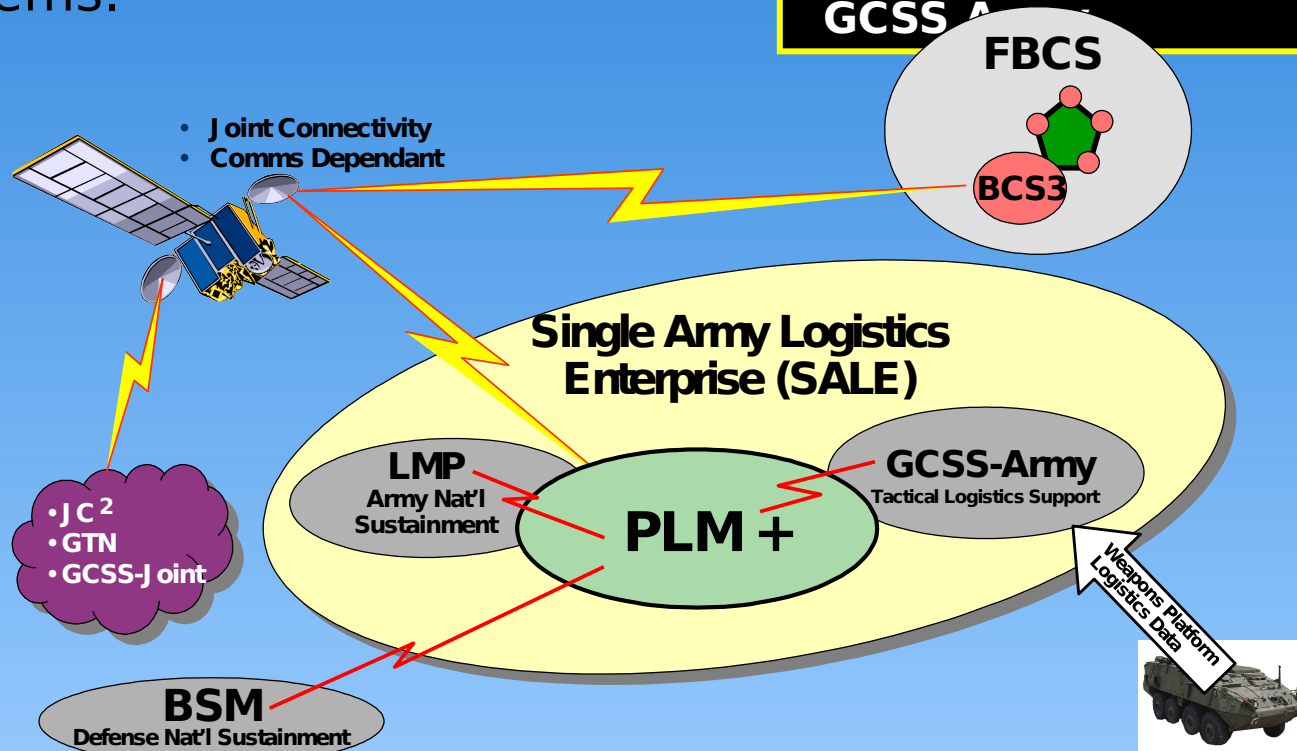
* - DALEI Office

PLM+ Background

Product Lifecycle Management Plus is the technical enabler to ensure effective, seamless logistics business transaction processes within the SALE architecture & with external systems.

GCSS Army ORD Requirements

- Manage process integration between LMP and GCSS Army instances
- Manage SALE interfaces with external systems
- Manage data common to LMP & GCSS Army



SAP NetWeaver Overview

- SAP Mobile Infrastructure
 - Tight coupling and alignment with SAP business solutions
- SAP Enterprise Portal
 - Optimized Aggregation engine
 - Roles
 - KM & Collaboration
- SAP Business Warehouse
 - Tight integration to SAP
 - Open architecture
 - Business content
- Master Data Management
 - Collaboration
 - Synchronization
 - Harmonization
- SAP Exchange Infrastructure
 - Proxy generation and mapping tools
 - Integration directory
 - SAP's ability to execute
- SAP Web Application Server
 - Proven, scalable, comprehensive toolsets
 - Modernize existing infrastructure/skillets

